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July 24, 1996

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VIA HAND-DELIVERY

William F. Caton, Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: Notice of Ex Parte Presentation, In the Matter of
Billed Party Preference for InterLATA 0+ Calls,
CC Docket No. 92-77

Dear Mr. Caton:

In conformity with Section 1.1206(a)(2) of the Federal Communications Commission's (the "Commission") Rules, 47 C.F.R. § 1.1206(a)(2), I am notifying the Commission that this morning, July 24, 1996, Mr. B. Reid Presson, Vice President of The Intellicall Companies, Judith St. Ledger-Roty, Esq., and I met with Messrs. Adrien R. Auger and Mark Nadel of the Enforcement Division, Common Carrier Bureau. Issues relevant to the Commission's ongoing billed party preference proceeding were discussed. I have attached a copy of the presentation material distributed at the meeting. Pursuant to the Commission's regulations, I have enclosed two additional copies of this letter for filing.

Please call the undersigned counsel if you should have any questions or need additional information.

Very truly yours,

Enrico C. Soriano

attachments

cc: Regina Keeney, Esq. (w/ attachment)
Mark Nadel, Esq. (w/ attachment)
Adrien Auger, Esq. (w/ attachment)

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**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF COUNSEL**

**OPERATOR SERVICE
RATE DISCLOSURE**

(CC DOCKET NO. 92-77)

SUBMITTED BY THE INTELLICALL COMPANIES

**THE COMMISSION'S RATE QUOTE
REQUIREMENT SHOULD BE
FASHIONED TO TAKE ADVANTAGE OF
EXISTING TECHNOLOGY AND NOT
REQUIRE DISCLOSURE OBLIGATIONS
WHICH WOULD RENDER EQUIPMENT
INEFFECTIVE, UNRELIABLE, AND/OR
OBSOLETE.**

THE COMMISSION SHOULD:

- ◆ **REJECT THE PROPOSED EXACT PER-CALL RATE DISCLOSURE REQUIREMENT.**
- ◆ **ADOPT RATE DISCLOSURE ALTERNATIVES THAT DO NOT REQUIRE UNNECESSARY COSTS AND MAJOR DISLOCATIONS.**
- ◆ **SET THE RATE BENCHMARK AT A REASONABLE LEVEL.**

THE COMMISSION SHOULD REJECT EXACT PER-CALL RATE DISCLOSURE REQUIREMENT

- ◆ **PAYPHONES UTILIZING STORE-AND-FORWARD TECHNOLOGY CANNOT ACCOMMODATE THIS REQUIREMENT. AN EXACT PER-CALL RATE DISCLOSURE REQUIREMENT WOULD RENDER STORE-AND-FORWARD TECHNOLOGY OBSOLETE – THERE IS A SIGNIFICANT INSTALLED BASE OF PHONES AND MORE PHONES UTILIZING STORE-AND-FORWARD ARE CONTINUING TO BE DEPLOYED.**
 - ❖ **STORE-AND-FORWARD PAYPHONES ARE NOT DESIGNED TO HANDLE REAL-TIME RATING OF NON-SENT PAID CALLS (0+ CALLS)**
 - **BY DESIGN, STORE-AND-FORWARD PAYPHONES DO NOT HAVE AND CANNOT ACCOMMODATE THE NECESSARY RATING TABLES AND INDICES INTERNALLY.**
 - **STORE-AND-FORWARD PAYPHONES HAVE VERY LIMITED MEMORY CAPACITY FOR STORING THESE COMPLEX RATE STRUCTURES.**

THE COMMISSION SHOULD REJECT EXACT PER-CALL RATE DISCLOSURE REQUIREMENT

- ◆ **FORCING STORE-AND-FORWARD PAYPHONES TO ACCOMMODATE AN INTERNAL RATING FUNCTIONALITY BEYOND THEIR DESIGN CAPABILITY WOULD DESTROY BUILT-IN EFFICIENCY AND RELIABILITY—MUCH LIKE USING A REFRIGERATOR AS A COOLING SYSTEM INSTEAD OF AN AIR-CONDITIONING SYSTEM—AND RENDER STORE-AND-FORWARD SYSTEMS OBSOLETE.**
 - ❖ **WOULD RESULT IN SIGNIFICANT STRANDED INVESTMENTS.**

**THE COMMISSION SHOULD CONSIDER
ALTERNATIVES WHICH ARE IMPLEMENTABLE**

- ◆ **DISCLOSURE OF HIGHEST AMOUNT FOR A 7-MINUTE CALL (FCC'S PROPOSED ALTERNATIVE)**
- ◆ **DISCLOSURE OF AVERAGE RATE FOR A 7-MINUTE CALL (FCC'S PROPOSED ALTERNATIVE)**
- ◆ **DISCLOSURE OF AVERAGE PER-MINUTE PRICE FOR CLASSES OF CALLS (INTELICALL'S PROPOSED ALTERNATIVE)**
- ◆ **DISCLOSURE OF MAXIMUM RATES FOR INITIAL MINUTES AND SUBSEQUENT MINUTES OF USE FOR CLASSES OF CALLS (INTELICALL'S PROPOSED ALTERNATIVE)**
- ◆ **GENERAL ABOVE-BENCHMARK-RATE ANNOUNCEMENT (ORIGINALLY PROPOSED BY APCC AND MODIFIED BY INTELICALL)**

THE COMMISSION SHOULD SET A REASONABLE RATE BENCHMARK

- ◆ **A REASONABLE RATE BENCHMARK WILL APPROPRIATELY EXCLUDE FROM ANY RATE DISCLOSURE REQUIREMENT OSPs WHOSE RATES FALL WITHIN REASONABLE CONSUMER EXPECTATIONS. "PENALTIES" SHOULD NOT ATTACH TO PROVIDERS THAT CHARGE REASONABLE RATES.**
- ◆ **A REASONABLE RATE BENCHMARK PREVENTS "PRICE FIXING" OR COMBINATORIAL ACTIVITIES OF THE "BIG THREE."**
- ◆ **OPERATOR SERVICES PROVIDERS SHOULD NOT BE FORCED TO CHOOSE BETWEEN OPERATING AT A LOSS OR DRIVING CUSTOMERS AWAY (TANTAMOUNT TO CONFISCATION AND IMPERMISSIBLE "TAKING").**